

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA, ex rel.  
HAMID (JOE) LAHIJANI,

Plaintiff and Relator,

-against-

DELTA UNIFORMS, INC., and GEORGE  
ILOULIAN (a/ka/ GEORGE ILLULIAN),  
individually,

Defendants.

**ORDER**

19 Civ. 3290 (PGG)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

-against-

DELTA UNIFORMS, INC. and GEORGE  
ILOULIAN,

Defendants.

PAUL G. GARDEPHE, U.S.D.J.:

In this qui tam action, Plaintiff-Intervenor United States of America (“Plaintiff” or the “Government”) moves for summary judgment against Defendants Delta Uniforms, Inc. and George Ilouliau (collectively “Defendants”) on the basis that Ilouliau’s guilty plea in United States Ilouliau, 21 Cr. 579 (PGG), precludes both Defendants from contesting liability in the instant case. (Pltf. Br. (Dkt. No. 25) at 6)

Delta Uniforms was not charged or convicted in the criminal case. In general, “a determination in a prior judicial proceeding collaterally estops a claim by a nonparty only if that nonparty was represented by a party to the prior proceeding, or exercised some degree of actual

control over the presentation on behalf of a party to that proceeding.” Stichting Ter Behartiging Van de Belangen Van Oudaandeelhouders In Het Kapitaal Van Saybolt Int’l B.V. v. Schreiber, 327 F.3d 173, 184-85 (2d Cir. 2003) (citation omitted). Courts “recognize privity based on representation only if the interests of the person alleged to be in privity were ‘represented [in the prior proceeding] by another vested with the authority of representation.’” Id. (alteration in original) (quoting Monahan v. New York City Dep’t of Corr., 214 F.3d 275, 285 (2d Cir. 2000)). The Second Circuit has found privity “where a party to a previous suit was, at the time of the litigation, acting as either a fiduciary or organizational agent of the person against whom preclusion is asserted.” Id. at 185; see also id. at 186 (declining to find privity for purposes of collateral estoppel where the former CEO of a company “was not vested with the authority to represent [the company] because he was neither a fiduciary nor an agent of [the company] during his trial”).

The Government’s summary judgment papers do not address Iloulia’s relationship with Delta Uniforms at the time of the criminal proceedings or whether that relationship justifies a finding that Defendants were in privity for purposes of collateral estoppel.

The parties will make submissions addressing this issue by **June 27, 2024**.

Dated: New York, New York  
June 12, 2024

SO ORDERED.



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Paul G. Gardephe  
United States District Judge